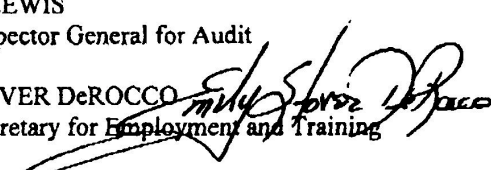




MAR 31 2008

MEMORANDUM FOR: ELLIOT P. LEWIS  
Assistant Inspector General for Audit

FROM: EMILY STOVER DeROCCO   
Assistant Secretary for Employment and Training

SUBJECT: Comments on OIG Audit Report on Educational Services  
Provided to Out-of-School Youth in Youth  
Opportunity Grants

Thank you for the time and effort your staff has put into this report. The Employment and Training Administration (ETA) places high priority in the educational components of Youth Opportunity Grants, and we will use this report to further improve this program. My comments on the report are as follows:

1. Your first finding is that most out-of-school youth in your sample did not receive educational or vocational training services, but the finding leaves unsaid that most of the remaining youth did receive work-related activities. Youth Opportunity Grants provide a variety of services to youth, including education, vocational training, job readiness training, work experience, and job placement. While ETA is determined to have a strong educational component in its Youth Opportunity Grants, your first finding implies that Youth Opportunity Grants are not fulfilling their mandate unless all out-of-school youth are receiving education or vocational training as opposed to work experience or job placement. This ignores the value of the work-related components of these grants and the value of work as a path towards careers for non-college youth. Many youth who do not go to college develop skills and learn trades through working at jobs rather than through formal training. In fact, many employers to whom we talk tell us that they are not looking for the public workforce system to provide them with formally trained workers, but rather individuals ready and willing to work whom the employers can then train on the job.

Further, most out-of-school youth coming to Youth Opportunity centers are primarily seeking help to find a job and may not be interested in or realize the importance of formal education and training. Many of these youth may need to work because of family responsibilities. In attempting to serve these youth, we encourage enrollment in education or training but must balance that with personal preferences and individual choices. Additionally, the experience of working at an entry-level job can help youth come to the realization that education is critical in order to advance in the labor market.



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Also, in your first finding you include 31 youth who had no recorded services in the program. It is understandable that some youth who did not receive services were submitted by sites to the OIG because a youth is considered enrolled once assessment begins. However, prior to the start of this study, the OIG agreed that only youth who received services would be included in the sample. Based on the responses to the OIG audit by the San Francisco, Louisville, and San Antonio sites describing the situation of 12 such youth with no services, these appear to be a combination of youth who:

- have moved out of the target community;
- cannot be located despite repeated attempts by case managers;
- are not interested in receiving services because they have found a job or are preoccupied by family problems;
- repeatedly fail to show up for appointments with case managers to complete their individual service strategy (ISS);
- have only received an assessment or a start of an assessment, and then quit showing up;
- have received some program services such as work experience or case management that have not been recorded in the case files.

I encourage you to take these youth out of your sample. Including youth who have moved away, cannot be located, or never show up in calculating the percentage of participants receiving educational services is comparable to counting people who just come in to browse pamphlets against the placement rate of One-Stop Centers. If these youth with no services are not included in the calculations, the percentage of participants receiving education services increases from 38 percent to 45 percent and the finding would more appropriately be “slightly more than half of the youth” did not receive educational services, instead of “most of the youth” did not receive educational services.

2. Your second finding shows that high school dropouts enrolled in Youth Opportunity Grants are more likely to receive educational services than high school graduates, and that the majority of high school dropouts we enroll do receive educational services. ETA sees this finding regarding high school dropouts as very positive. This finding is consistent with what local program operators have told us—that high school dropouts applying to their programs want GED training and high school graduates want jobs. This finding is also positive in that it shows that the program is, as intended, attracting a large proportion of high school dropouts. Your report shows that over 60 percent of urban out-of-school enrollees are high school dropouts and that 40 percent of rural out-of-school enrollees are high school dropouts. This urban/rural difference is consistent with national figures that show higher dropout rates in urban poverty areas than rural poverty areas.

3. Your third finding notes that youth in your sample had been enrolled in the program long enough to participate in training activities. I agree with that, but I would like to note that Youth Opportunity sites, for the most part, did not begin serving youth until the fall of 2000. The sample of youth in this study were enrolled during the first year of program operations, and services included in this report reflect only the first 16 months of operations. Further, because six of the seven sites that had prior pilot grants were excluded from this study, the study is left with a sample frame of the 30 most inexperienced sites. You note in your report that it was premature at the time of your study to examine outcomes for youth. We all may need to recognize that it was also probably premature at the time of your study to examine the types of services provided to youth because sites were still developing their programs and implementing their Management Information Systems (MIS).

The program period covered by this report ended December 31, 2001. Youth Opportunity programs are now almost twice as old as they were during the period of this report. During this past 14 months, ETA has made extensive efforts to improve the educational components of Youth Opportunity sites. Last spring, we required all sites in their grant renewal applications to show how they were improving their educational components for both in-school and out-of-school youth. DOL project officers have pressed grantees during site visits to improve linkages with community colleges and public schools. We conducted a three-day peer-to-peer workshop in San Antonio to help sites develop stronger vocational training programs with community colleges. We held a peer-to-peer workshop in Baltimore to teach sites how to conduct college bound programs. We provided sites with a tool kit on how to establish credit retrieval programs to help more in-school and out-of-school youth attain high school diplomas. We have presented in meetings with site directors exemplary educational program models.

As a result of these various actions by ETA and additional time for sites to develop, we now have a much more mature Youth Opportunity program than we had during the time period of this study. There are now over 66,000 youth that have enrolled in Youth Opportunity programs; we are on pace this year to exceed the service year goals we presented to Congress; and we have been averaging over the past several months over 1,300 short-term and long-term placements a month of out-of-school youth into education, training, or employment. We had almost 1,700 such short-term and long-term placements for out-of-school youth last month, exceeding our goal of 1,000 placements.

4. Your fourth finding relates to problems in the MIS data for Youth Opportunity Grants. Over the past year ETA made intensive efforts to improve the MIS data of Youth Opportunity sites. Early in the implementation process it is to be expected that data collection problems will exist, and we have taken several steps to resolve such problems. This past year we have provided on-site training at the majority of sites to help staff better record MIS data. We have conducted an audit of our MIS specifications and worked with our contractor to improve these specifications. We have trained local staff at Leadership Institutes, held a peer-to-peer training on MIS data collection, and have trained local project directors extensively on using the MIS system. As a result of these various efforts, we now have a much stronger MIS for these grants.

ETA accepts the four recommendations made in your report, and we will enhance our current efforts in order to improve. As noted above, we have been working with sites to improve their educational components. We have in place a procedure for “inactivating” youth who are not participating in program activities, and will continue to help sites find ways of re-engaging youth who are currently not participating. We will attempt to clarify the definition of out-of-school youth in the regulations when WIA is reauthorized. We have, as noted above, been working to improve the accuracy of data reported by grantees, and we will continue these efforts.

Thank you for the opportunity to comment on this report.